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January 22, 2015

Larry McIsaac, President Or Current President/CEO Kraco Enterprises, LLC 505 E Euclid Avenue Compton, CA 90224	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o CT Corporation System 818 West Seventh Street, 2nd Floor Los Angeles, CA 90017
Larry McIsaac, President Or Current President/CEO Kraco Enterprises, LLC c/o CT Corporation System 818 W 7th Street, 2nd Floor Los Angeles, CA 90017	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. PO Box 1156 Springfield, MO 65801
Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. 233 S. Patterson Ave. Springfield, MO 65802
Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o CT Corporation System 120 South Central Avenue Clayton, MO 63105	

AND THE PUBLIC PROSECUTORS LISTED ON THE DISTRIBUTION LIST ACCOMPANYING THE ATTACHED CERTIFICATE OF SERVICE

Re: Notice of Violation of California Health & Safety Code §25249.5, et seq.

To Whom It May Concern:

Brodsky & Smith, LLC ("Brodsky Smith") represents Ema Bell ("Bell"), a citizen of the State of California acting in the interest of the general public to promote awareness of exposures to toxic chemicals in products sold in California and to improve human health by reducing hazardous substances contained in such items.

With respect to the product identified below, Ms. Bell has identified a violation of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at Cal. Health & Safety Code §25249.5, et seq. This violation has occurred and continues to occur because the alleged Violator(s) identified below failed to provide required clear and reasonable warnings with this product. Section 25249.6 of the statute provides that "[n]o person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to the State to cause cancer or reproductive toxicity without first providing a clear and reasonable warning to such individual ..." Without proper warnings regarding the toxic effects of exposures to this listed chemical that results from contact with this product, California citizens lack the information necessary to make an informed decision on whether and/or how to eliminate (or reduce) their risk of exposure to the listed chemical from the reasonably foreseeable use of the product.

Please allow this letter to serve as notice of this violation to the alleged Violators and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, Brodsky Smith intends to file a private enforcement action on behalf of Ms. Bell sixty (60) days after effective service of this notice unless the public enforcement agencies¹ have commenced and are earnestly prosecuting an action to redress these violations.

Alleged Violator(s): The name of the company's covered by this notice that Violated Proposition 65 (hereinafter "the Violators") are:

Kraco Enterprises, LLC O'Reilly Automotive Stores, Inc.

<u>Consumer Product</u>: The product that is the subject of this notice and the chemicals in this product identified as exceeding allowable levels are:

Product	Retailer(s)	Manufacturer(s)/Distributor(s)
Kraco Sport Performance Seat Cover Color: black/red UPC# 0 19912 54924 8 Part# 5075531-Red 730-8129	O'Reilly Automotive Stores, Inc. d/b/a O'Reilly Auto Parts	Medline Industries, Inc.

<u>Listed Chemicals</u>: This violation involves exposure to the chemical Di(2-ethylhexyl) phthalate (DEHP). On October 24, 2003, the State of California listed Di(2-ethylhexyl) phthalate (DEHP) as a chemical known to cause reproductive toxicity for the developmental and male reproductive endpoints.

<u>Violations</u>: The alleged Violators knowingly and intentionally have exposed and continue to knowingly and intentionally expose consumers within the State of California to Di(2-ethylhexyl) phthalate (DEHP) at levels that, upon reasonable use of the product, exceed the No Significant Risk Level without providing clear and reasonable warning of this exposure. In particular, the product does not warn that it contains chemicals known to the State of California to cause reproductive toxicity for the developmental and male reproductive endpoints.

Route of Exposure: The exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of the product. Consequently, the primary route of exposure to these chemicals is through dermal absorption through direct contact with the seat cover, and ingestion by handling and touching the seat cover with subsequent touching of the users hand to mouth. Additionally, vapor phase DEHP is likely to be produced from the product and ingested within the enclosed space of the vehicle cabin.

¹ The public enforcement agencies that have been served with copies of this notice of violations are identified in the attached distribution list accompanying the Certificate of Service.

<u>Duration of the Violations</u>: Each of these ongoing violations has occurred on every day since at least January 9, 2015; as well as every day since the product was introduced to the California marketplace and following the one-year anniversary date of the listing at issue; and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until this known toxic chemical is removed from the product.

Pursuant to Title 11, C.C.R. §3100, a certificate of merit is attached hereto. Pursuant to Title 27, C.C.R. §25903(b), a copy of "The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary" is also enclosed.

Consistent with the public interest goals of Proposition 65 and desire to have these ongoing violations of California law quickly rectified, Ms. Bell is interested in seeking a constructive resolution of this matter without engaging in costly and protracted litigation.

Ms. Bell has retained me as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violations to my attention at the law office address and telephone number indicated on the letterhead.

Sincerely,

Evan J. Smith

Attachments

Certificate of Merit Certificate of Service

The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary

CERTIFICATE OF MERIT

Health & Safety Code Section 25249.7(d)

I, Evan J. Smith, hereby declare:

- (1) This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the parties identified in the notice have violated Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- (2) I am the attorney for the noticing party, Ema Bell.
- (3) I have consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies or other data regarding the alleged exposure to the listed chemicals that are the subject of the action.
- (4) Based on the information obtained through these consultations, and on all other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for private action" means that the information provides a credible basis that all elements of plaintiff's case can be established and the information did not prove that the alleged violator(s) will be able to establish any of the affirmative defenses set forth in the statute.
- (5) We have had the product tested by SGS North America, Inc., and have found that the DEHP content contained in the product exceeds allowable levels of DEHP pursuant to the statute. With respect to the Kraco Sport Performance Seat Cover, UPC# 0 19912 54924 8, Color: black/red, Part# 5075531-Red, 730-8129, testing by SGS demonstrated the presence of DEHP in this seat cover at a concentration of 164,000, 212,000, and 170,000 parts per million (ppm) in the black faux leather, black dotted faux leather, and red faux leather of the seat cover. In addition, we have also consulted with Dr. Anthony Lagalante, Ph.D. of Main Line Environmental, LLC, who has advised that the concentration of DEHP in the product is known to be and can be harmful to people. Mr. Lagalante has advised that the primary route of exposure of the chemicals in this product is through dermal absorption and ingestion.

Dated: January 22, 2015

Evan J. Smith Attorney for Ema Bell

CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within action. My business address is 2 Bala Plaza, Suite 510, Bala Cynwyd, Pennsylvania. I am employed in Montgomery County where the mailing occurred.

On January 22, 2015, I served the following documents: Notice of Violation of California Health & Safety Code §25249.5, et seq.; Certificate of Merit; The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary on the following entities and individuals listed below by placing a true and correct copy thereof in a sealed envelope, addressed to the person or entity listed below and depositing it in a US Postal Service Office with postage fully prepaid for delivery by Certified Mail:

Larry McIsaac, President Or Current President/CEO Kraco Enterprises, LLC 505 E Euclid Avenue Compton, CA 90224	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o CT Corporation System 818 West Seventh Street, 2 nd Floor Los Angeles, CA 90017
Larry McIsaac, President Or Current President/CEO Kraco Enterprises, LLC c/o CT Corporation System 818 W 7 th Street, 2 nd Floor Los Angeles, CA 90017	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. PO Box 1156 Springfield, MO 65801
Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. 233 S. Patterson Ave. Springfield, MO 65802
Gregory L. Henslee, President Or Current President/CEO O'Reilly Automotive Stores, Inc. c/o CT Corporation System 120 South Central Avenue Clayton, MO 63105	

On January 22, 2015, I served the following documents: Notice of Violation of California Health & Safety Code §25249.5, et seq.; Certificate of Merit; The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary on each of the individuals on the service list attached hereto as Appendix B by placing a true and correct copy thereof in a sealed envelope, addressed to the person or entity listed below and depositing it in a US Postal Service Office with postage fully prepaid for delivery by Priority Mail.

Executed on January 22, 2015, in Bala Cynwyd, Pennsylvania.

Evan J. Smith

Appendix A.

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACTION 1986 (PROPOSITION 65); A SUMMARY

The following summary has been prepared by the Office of Environmental Health Hazard Assessment, the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and its implementing regulations (see citations below) for further information.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, Sections 25000 through 27000.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer, or birth defects or other reproductive harm. This list must be updated at least once a year. Over 735 chemicals have been listed as of November 16, 2001. Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release, or otherwise engage in activities involving those chemicals must comply with the following:

Clear and Reasonable Warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical. The warning given must be "clear and reasonable." This means that the warning must:(1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Exposures are exempt from the warning

requirement if they occur less than twelve months after the date of listing of the chemical.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Discharges are exempt from this requirement if they occur less than twenty months after the date of listing of the chemical.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. The law exempts:

Governmental agencies and public water utilities. All agencies of the federal, State or local government, as well as entitles operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "no significant risk" levels for more than 250 listed carcinogens.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause birth defects or other reproductive harm ("reproductive toxicants"), a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level

(NOBL)," divided by a 1,000-fold safety or uncertainty factor. The "no observable effect level" is the highest dose level which has not been associated with an observable adverse reproductive or developmental effect.

Discharge that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply If the discharger is able to demonstrate that a "significant amount" of the list chemical has not, does not, or will not enter any drinking water source, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" or "no observable effect" test if an individual were exposed to such an amount in drinking water.

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys(those in cities with a population exceeding 750,000). Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. A notice must comply with the information and procedural requirements specified in regulations (Title 27, California Code of Regulations, Section 25903). A private party may not pursue an enforcement action directly under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court of law to stop committing the violation.

FOR FURTHER INFORMATION...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900.

SERVICE LIST

The Honorable Tom Hardy, District Attorney INYO COUNTY PO Box D Independence, CA 93526

The Honorable Birgit Fladager, District Attorney STANISLAUS COUNTY 832 12th Street, Suite 300 Modesto, CA 95354

The Honorable Bonnie Dumanis, District Attorney SAN DIEGO COUNTY 330 West Broadway, Suite 1300 San Diego, CA 92101

The Honorable Candice Hooper-Mancino, District Attorney SAN BENITO COUNTY 419 4th Street Hollister, CA 95023-3801

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The Honorable Gregory Totten, District Attorney VENTURA COUNTY 800 South Victoria Avenue, Suite 314 Ventura, CA 93009

The Honorable James Kirk Andrus, District Atty. SISKIYOU COUNTY P.O. BOX 986
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The Honorable Jan Goldsmith, Office of the City Attorney SAN DIEGO 1200 Third Ave., Suite 1620 San Diego, CA 92101

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The Honorable Donald Anderson, District Attorney LAKE COUNTY 255 North Forbes Street Lakeport, CA 95453

The Honorable Larry Morse II, District Attorney MERCED COUNTY 550 West Main Street Merced, CA 95340

The Honorable Gary Lieberstein, District Attorney NAPA COUNTY P.O. Box 720 Napa, CA 94559

The Honorable Tim Kendall, District Attorney MONO COUNTY P.O. Box 2053 Mammoth Lakes, CA 93546

The Honorable Gerald Shea, District Attorney SAN LUIS OBISPO COUNTY 1035 Palm Street San Luis Obispo, CA 93408

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The Honorable Stephen M. Wagstaffe, District Atty. SAN MATEO COUNTY 400 County Center, Third Floor Redwood City, CA 94063

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The Honorable Mark A. Peterson, District Attorney CONTRA COSTA COUNTY 900 Ward Street Martinez, CA 94553

The Honorable Paul Zellerbach, District Attorney RIVERSIDE COUNTY 3960 Orange Street Riverside, CA 92501

The Honorable Jill Ravitch, District Attorney SONOMA COUNTY 600 Administration Drive, Room 212J Santa Rosa, CA 95403

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The Honorable Tony Rackauckas, District Attorney ORANGE COUNTY 401 Civic Center Drive West Santa Ana, CA 92701

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The Honorable Thomas K. Cooke, District Attorney MARIPOSA COUNTY 5101 Jones Street, P.O. Box 730 Mariposa, CA 95338

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The Honorable Mike Feuer, City Attorney City of Los Angeles 800 City Hall East, 200 N. Main Street Los Angeles, CA 90012

The Honorable Greg Strickland, District Attorney KINGS COUNTY 1400 West Lacey Blvd. Hanford, CA 93230

The Honorable Jackie Lacey, District Atty's Office LOS ANGELES COUNTY 210 West Temple Street, Suite 1800 Los Angeles, CA 90012-3210

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